Action plan

for

the North-West Region of Romania

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Part I – General information

Project: COHES3ION – Integrating the territorial dimension for cohesive S3

Partner organisation(s) concerned: North-West Regional Development Agency

Country: Romania

NUTS2 region: North-West

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Part II – Policy context

The Action Plan aims to impact: ⊗   Investment for Growth and Jobs programme

                                     ☐   European Territorial Cooperation programme

                                     ☐   Other regional development policy instrument

The policy instrument addressed in the present Action Plan is the Regional Operational Programme of the North-West Development Region (ROP) 2021-2027, specific objective SO a (i) Enhancing research and innovation capacities and the uptake of advanced technologies, Priority 1. A competitive region through innovation, digitisation, and dynamic companies, addressing EU cohesion Policy Objective 1 according to the "Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy" and "Regulation (EU) 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund".

The project addresses *Priority Axis 1* of the North-West ROP 2021-2027 "*A competitive region through innovation, digitisation, and dynamic companies"*, having as specific objective to enhance the research and innovation capacities and the uptake of advanced technologies.

The initial policy instrument envisaged in the frame of COHES3ION project was the Regional Operational Programme (ROP) 2014-2020 Romania. The justification for addressing the North-West ROP 2021-2027 policy instrument refers to the fact that the currently running ROP 2014-2020 can no more be changed or improved in the time period addressed by the present Action Plan, neither in terms of management, nor in terms of available calls that could generate new projects. Therefore, changing the policy instrument is highly relevant as the North-West Regional Development Agency (NWRDA) is becoming the Managing Authority of the targeted policy instrument, so it will need pilot actions, including a strong governance structure, to implement smoothly the regional operational programme.

Romania started to partially decentralise the management of Cohesion Policy funds; thus the 2021-2027 programming period is the first one in which the Regional Operational Programmes are elaborated and will be implemented at the level of each of the eight development regions, the Regional Development Agencies being designated as Managing Authorities (MA) for these programmes[1].
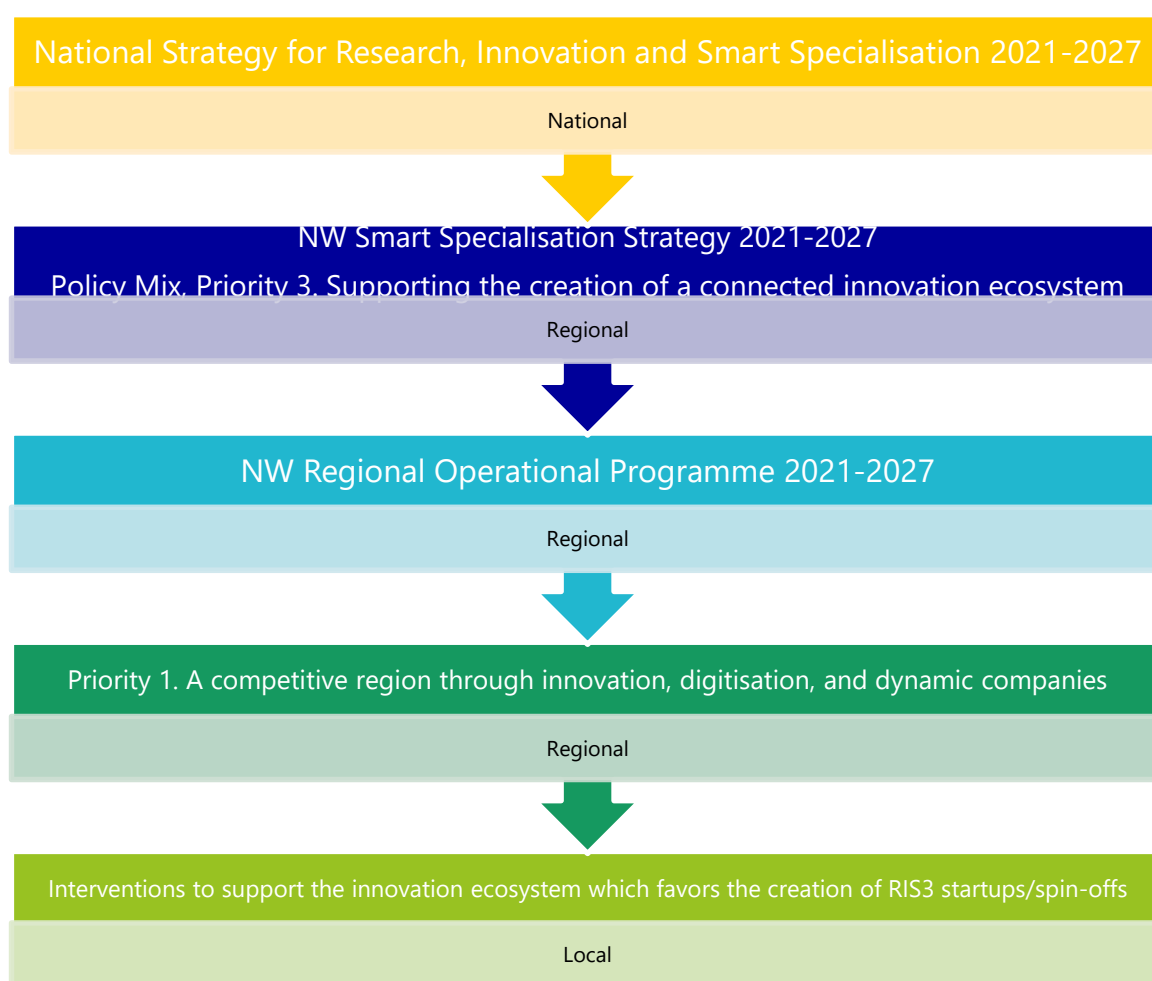
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[1] According to Government Emergency Ordinance 122/29.07.2020 on some measures to ensure the efficiency of the decision-making process of non-reimbursable external funds for regional development in Romania

The North-West Regional Operational Programme 2021-2027 is tailored to the specificities of the region and takes into consideration the region's needs, addressing in general, the lack of cohesion in the innovation ecosystem. The Programme considers the needs and challenges identified especially in two regional strategic documents:

1. The North-West Regional Development Plan 2021-2027[2]
2. The North-West Regional Smart Specialisation Strategy 2021-2027[3]

This means that NWRDA is becoming the responsible body for this instrument, as a policymaker. The connection between the smart specialization strategies – national and regional – and the policy instrument influenced by this Action Plan is presented below.

National Strategy for Research, Innovation and Smart Specialisation 2021-2027
National

⬇

| NW Smart Specialisation Strategy 2021-2027 |
Policy Mix, Priority 3. Supporting the creation of a connected innovation ecosystem
Regional

⬇

NW Regional Operational Programme 2021-2027
Regional

⬇

Priority 1. A competitive region through innovation, digitisation, and dynamic companies
Regional

⬇

Interventions to support the innovation ecosystem which favors the creation of RIS3 startups/spin-offs
Local

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[2] https://www.nord-vest.ro/planul-de-dezvoltare-regionala-2021-2027/
[3] https://www.nord-vest.ro/specializare-inteligenta/

1. Brief description of the situation and the current state of the governance system

As in most European regions, existing RIS3 governance structures were shaped especially for RIS3 design and implementation during the previous programming period. According to the "Guide to Research and Innovation Strategies for Smart Specialisations (RIS3)"[4], the standard structure is a steering group, a management team, a mirror group or knowledge leadership group and thematic working groups. At the implementation phase, there should be a possibility to adapt the governance structure to face different territorial challenges, meaning that this could be an opportunity to include other local entities that are working actively in sustainability and innovation related fields. This does not preclude the establishment of governance structures such as territorial councils or innovation councils with territorial focus[5]. At the implementation phase, a challenge for RIS3 is to revitalize the entrepreneurial discovery process, and this could be done through the involvement of such councils that include cities and their local authorities as EDP facilitators. RIS3 multilevel governance should consider the strategies in urban areas promoted through an integrated and place-based approach to territorial development, where integration means multi-sectoral policy, multilevel and multistakeholder governance and multi-territorial and community-led strategy[6]. RIS3 should develop synergies with strategies for urban development because cities are central to innovation processes.

In the previous financial exercise, the NWRDA of Romania has developed and implemented a RIS3 strategy following the methodological guide to RIS3. Although RIS3 in the North-West Development Region was officially issued only in January 2019, the elaboration process started in 2015, when the Steering Committee was established, as the regional high-level governance structure.

In this governance space for RIS3, representatives from various types of quadruple helix stakeholders have gained experience in working together to promote and support promising innovation projects. Apart from RIS3, the NWRDA also had to elaborate by 2016 and implement a Concept Note for RIS3 to support the implementation of Priority Axis 1 of the centralised Regional Operational Program 2014-2020. According to the methodological guidance issued by the Managing Authority of the Programme, a Regional Innovation Consortium has been established as the highest-level governance structure for this process. This consortium with a slightly different membership than the Steering Group, later, after the approval of the RIS3 was merged with the Steering Group. Besides the Steering Group the regional governance structure also has a Scientific Committee and Working Groups, the NWRDA acting as management team

Steering Group/Committee

It is the highest advisory level forum and governance body of the RIS3 process. Following the unification of the Committee and the Regional Innovation Consortium in 2019, the Steering Committee currently has 17 full members, being chaired by the NWRDA's General Manager. The members were elected by direct vote expressed by regional stakeholders and represent the business environment (employers' associations and federations, chambers of commerce and industry), academia (universities), public administration (county

councils), R&D and technology transfer entities, catalysts (clusters and business infrastructures), the banking sector, relevant national, regional and county ministries/agencies/councils (Ministry of Research and Innovation, County Employment Agencies, National Council for the Development of Vocational and Technical Education), other relevant institutions or structures from the national level. From the very beginning, RIS3 has involved relevant representatives from different quadruple helix stakeholders in the Steering Group and similarly in the entrepreneurial discovery focus groups. Representatives from NUTS3 level, such as the County Councils of Bihor and Sălaj, the Chambers of Commerce and Industry from Bistrița-Năsăud and Maramureș, the Craftsmen Association of Satu Mare, are permanent members of the Steering Group. Representatives from LAU2 level, such as the TETAPOLIS Scientific and Technological Park from Cluj-Napoca, Arc Parc Industrial from Dej, Cluj Innovation Park from Cluj-Napoca or Eurobusiness Parc from Oradea have been closely cooperating with NWRDA as Steering Group permanent members.

The Steering Group operates based on its own Rules of procedure and approves all documents related to the process of elaboration, implementation and monitoring the Strategy, being supported by the management team which also serves as the Committee's secretariat. It is consulted through meetings or by written procedure (in case of emergencies), on the following:

- The content of the Smart Specialisation Strategy, the Action Plan, and the related project portfolio.
- The review of the smart specialisation areas and related niches.
- The implementation, monitoring and evaluation of the Strategy.
- Promoting the strategy and its results.

It is also responsible for:

- Providing institutional support for the entire smart specialisation process at regional level.
- Facilitating cooperation with various institutions and organisations at regional, national, and European level.
- Ensuring high-level representation of the entire process.
- Coordination of the governance system.
- Dissemination of information and good practices.

Scientific Committee

It is a flexible structure, which engages specialists from the regional university, academic or RDI sphere, or from independent European expert groups on a case-by-case basis, depending on the subject of consultation. The Scientific Committee ensures the connection with the European specialized networks, having the role of

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[4] https://s3platform.jrc.ec.europa.eu/documents/20125/254002/RIS3+Guide.pdf/02f9c090-5b9d-b2a5-e6e0-7f2ef81e2e0c?t=1621268542363

[5] Similar to the six cities' joint management board, formed by the directors in charge of the six cities' business and innovation agencies, in Finland. The Six City Strategy, carried out by the six largest cities in Finland (Helsinki, Espoo, Vantaa, Tampere, Turku and Oulu), funded through an integrated territorial investment mechanism, based on open innovation platforms, open date and open customers' participation, in order to help companies scale-up their business to the six cities. The multilevel governance is strong: the six cities act as an intermediary body that integrate RIS3 priorities to develop common projects; representatives of the six cities provide updates regarding the implementation of the strategy in regional management committee meetings once or twice a year.

[6] Handbook of Sustainable Urban Development Strategies, Joint Research Centre, 2020

adding value to the process through the specialized knowledge possessed. The experts are selected based on the knowledge and experience in the fields covered by RIS3 priority areas and work closely with the management team to achieve the objectives set, about ensuring the quality and validity of the strategy. Other experts may be involved in various stages of the strategy development process, depending on the topic of the consultation.

Working Groups

These groups are set up to support economic transformation through innovation in the areas of smart specialization identified in the strategy. They include representatives of the business environment in the field, representatives of universities and R&D canters, business support infrastructures, public administration, and civil society. The groups are open and flexible, and those interested parties may at any time express a desire to participate in them. These structures may have regular or ad-hoc meetings, organize bilateral consultations or workshops. Even if they are not fully operationalized, their roles are:

- To support the ongoing process of entrepreneurial discovery, as well as the review of strategic priorities and related niches
- To collect and transmit information relevant to the implementation, monitoring and evaluation of the strategy
- To generate and implement ideas for strategic projects or collaboration initiatives with partners in the country or in other Member States etc.

Working Groups on horizontal topics

The groups support the implementation of specific priorities and actions in the policy mix. The theme around which such a Group is set ups is selected by the Steering Group. The High-Level Working Group on Human Resources Development and Mobility is one of the thematic Working Groups already established, aiming at developing and implementing the Action Plan for Human Resources Development and Mobility, thus leading to the achievement of strategic objectives related to human resources.

At national level, to ensure better coordination between the regional and national levels regarding the smart specialisation process, the **Coordination Committee for the Smart Specialisation (CCSI)** was set up, with the main role of establishing the mechanism for integration and coordination of the areas of S3, national and regional actions and strategic priorities, i.e. vertical multi-level coordination and governance. The NWRDA is part of this committee.

Besides all structures presented above, that are recommended in the Guide to Research and Innovation Strategies for Smart Specialisations (RIS3), the pilot project *"Targeted support for RIS3 in Romania",* implemented by the Joint Research Centre – European Commission between 2016-2018, identified three components to boost the economic development in the North-West Development Region through support for sectors of economic competitiveness and smart specialisation. *Component I – Preparatory Action of the European Parliament* took into consideration the elaboration of the Smart Specialisation Strategy of the North-

West Development Region and assured the conditions necessary for its successful implementation. The objectives of the implemented project were:

- activities oriented towards enhancing involvement of and cooperation with and between key actors,
- bringing in new stakeholders in the elaboration and implementation process,
- enforcing governance structures and creating functional cooperation mechanisms and instruments,
- development of mechanisms for improving links, cooperation, partnerships, and dialogue between businesses and universities/RDI institutions, as well as businesses and public administration to support enterprises,
- capacity building of NW Regional Development Agency.

Even though efforts were made on establishing and developing regional multi-level governance structures, capable of supporting the design and implementation of the strategy, the level of involvement on behalf of these structures and their individual members had remained below expectations. Additionally, in line with the objectives of the COHES3ION project, as well as the new approach to urban and territorial development and the implementation of Policy Objective 5 – *A Europe closer to citizens by fostering the sustainable and integrated development of urban, rural and coastal areas and local initiatives* - the need to involve and engage more efficiently territorial levels lower than the regional one (e.g. cities, counties, functional urban areas, etc.) has become necessary.

2. Challenges for the North-West Region

Out of the smart territorial mapping process, some challenges that should be addressed have emerged:
High priority challenges:
Challenge 1: Awareness raising on RIS3 and capacity building for innovation promotion (mainly) at local level
Challenge 2: Improve inclusion of territorial specialisation strengths/differences in RIS3
Challenge 3: Incorporation of local players and other key sectoral actors in strategy development
Challenge 4: Strengthening collaboration with territorial actors & rethinking/creating RIS3 governance bodies (e.g. involvement of existing ones or through the creation of innovation hubs)
Challenge 5: Establishing links between strategies elaborated at different territorial levels (national/regional/local)

Medium priority challenges:
Challenge 6: The already mentioned governance spaces, like steering group or working groups, are not enough in reaching out to the potential innovators that should valorise their work in profitable economic activities.

Challenge 7: Build on individuals, rather than on institutions[7] - the way the NWRDA Steering Group was established based more on the choice of relevant institutions, rather than experts as individuals, which negatively influenced the agility of the whole process. Most of the institutions involved in the quadruple helix type Steering Group have complicated internal procedures (such as in the case of public sector), being extremely bureaucratic, therefore, the decisions related to RIS3 are not easily taken.

*Low priority challenge***:**

Challenge 8: The level of RIS3 implementation in the North-West Region remains low and the involvement of the RIS3 governance structures remains less proactive, so there is a need for the improvement of the effectiveness of these governance bodies.

Spaces where opportunities can be found

During the elaboration of the smart specialisation strategy, the NWRDA experts participated at a Peer eXchange & Learning Workshop in Sweden on Governance of the Smart Specialisation Strategies. One of the recommendations received from the peer discussions was to use a political leverage to promote new governance arrangements, characterised by clearer vertical and horizontal coordination mechanisms to avoid coordination failure problems and overlapping actions, especially in the implementation phase. The policy leverage is the following: "Good governance of national or regional Smart Specialisation Strategy" – which the title of the new enabling condition – included in the proposal for a Common Provisions Regulation for the forthcoming EU Cohesion Policy (2021-2027) – to access ERDF funds under the Policy Objective 1: A smarter Europe by promoting innovative and smart economic transformation. The strategy is expected to have an impact on the structure and functioning of the territorial innovation ecosystem.

The main goal of a RIS3 is to concentrate resources on the development of those activities that are likely to effectively transform the existing economic structures through R&D and innovation. It has an" experimental nature", is progressive and emergent, aiming to identify new opportunities for transformation that appear over time. This means that the governance structure should be flexible and extremely agile, especially because nobody really knows what the expected outcome of the strategy is. Additionally, experimentation with strategy governance, as well as innovation related to governance are recommended.

Resulting from the COHES3ION project, based on the workshops, good practices, smart territorial maps, peer review, interregional exchange of experience, **the multilevel governance should imply the following characteristics**:

1. All actors should have the same understanding of the concept and should develop capabilities on innovation and smart specialisation.

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[7] According to Dominique Foray, the ideal governance structure should include new stakeholders from the worlds of business and civil society, selected for their competence in the network rather than their status in the hierarchy.

2. All actors involved in it should have a common voice, trust[8], and a sense of ownership assuming the smart specialisation principles.

3. The local needs should be included in the strategies, and sub-regional actors (especially local public administrations) should be engaged in pilot initiatives to find solutions to the identified challenges in smart specialisation fields.

4. Intermediary organizations and entities (such as regional innovation consortia, clusters, innovation hubs and so on) preoccupied with building innovative ecosystems are crucial for a continuous RIS3 process and for building trust between different actors.

5. Institutional spaces where the cooperation among different levels of governance (regional and sub-regional – municipalities, local public administrations) is continuously nurtured should be created.

6. Implementing continuous entrepreneurial discovery processes to stimulate collaboration between stakeholders from different territorial levels is necessary.

7. Multilevel approach should be applied on the entire phases of the policy cycle (planning/design, implementation, monitoring and evaluation).

8. The regional authority (in this case the RDA) functions as an "omniscient central planner" that can organise in a multilevel structure the regional **R&D factory[9] (the statement perfectly describes the way a multilevel governance structure should be supported)**.

9. Links between strategies for research (decided at national level) and strategies for innovation (developed under the coordination of regional bodies) should be established.

10. The Green Deal's multilevel governance framework for regional smart specialisation strategy for sustainability should be taken into consideration.

Multilevel governance is also multistakeholder. The multilevel dimension implies that governance mechanisms need to include stakeholders and decision-makers from various levels. According to Kevin Morgan, Professor of Governance and Development, Cardiff University, RIS3 presumes the existence of a "**smart state**" because it asks a lot of the regional state and other public bodies (universities). Key aspects of the Smart State include quality of regional government; entrepreneurial discovery process; responsive political elites committed to innovation. Smart state bodies are valued for their competence in the network not for their status in the hierarchy. Moreover, in the future, "the state" should turn **entrepreneurial[10]**. The European Green Deal determines the creation of synergies at local level and, especially in lagging regions, public authorities can step up as an "**entrepreneurial state**". Role of "state" goes beyond being facilitator and catalyst to co-create system transformation. This requires management reforms and capacity building to work cross-domains, **cross-departments**, cross-sectors, and **cross-disciplines**.[11]

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[8] Trust is extremely important for RIS3 multilevel governance but is hard to gain. At global level, there is a **crisis of leadership**, according to the Edelman Trust Barometer 2021, and leaders cannot respond agile enough to address today's challenges. In a world guided by misinformation and mistrust, there seems like **business** is the most trusted institution (compared to NGO's, government, and media) and the only institution seen as both ethical and competent, that is why citizens expect business to take the lead, solving the societal problems. In a multilevel governance structure, business should have a word to say, accelerating the speed of governance and diversifying its models.

[9] Thinking about the region as a factory in which each county is a specific department and each "employee" could generate interdepartmental innovative pilot projects, the approach in terms of organizing the factory requires agility.

[10] According to Mariana Mazzucato, an "entrepreneurial state" is the primary risk taker in innovation based investments.

[11] "Place-based innovation for sustainability", Joint Research Centre, 2020

3. Objectives of the Regional Action Plan

General objective

To assure the necessary conditions for an agile multilevel governance of the NWRDA smart specialisation strategy, adapting it to face different territorial challenges. An agile multilevel governance can have an impact on the implementation of the RIS3 from the ROP 2021-2027. At the same time, this could be an opportunity to extend the existing multilevel governance system both vertically and horizontally, by involving more actively stakeholders concentrated on lower territorial levels, as well as by correlating with local strategies covering innovation, and sustainability, for the future – S4.

Specific objectives

Creating a competent regional body, responsible for the management of the smart specialisation strategy (including with the strategic directions, innovation futurism, forecasting etc.)

Raising capacity of key actors to connect the RIS3 initiatives and investments and avoid overlapping actions

Part III – Details of the actions envisaged

As mentioned before, the policy instrument addressed is the Regional Operational Programme of the North-West Development Region (ROP) 2021-2027, specific objective SO a (i) Enhancing research and innovation capacities and the uptake of advanced technologies, Priority 1. A competitive region through innovation, digitisation, and dynamic companies, addressing EU cohesion Policy Objective 1 according to the European Regulations (EU) 2021/1060 and (EU) 2021/1058.

ACTION 1

Name of the action: **Innovation Strategic Advisory Taskforce**

Expected types of policy change are represented by pipeline of new, innovative projects, but also an improved management in the way the policy instrument will be governed. Since the action is targeting the next programming period, the expected change which can be achieved during the project implementation will be at the level of PI management, but, since the project indicator targets projects in which the SMEs are collaborating with others, one can say that the action will also have a contribution on the number of new projects.

1. Relevance to the project

To ensure the connection between the addressed policy instrument, the smart specialisation strategy, and the multilevel governance approach that implies a territorial merging, the solution proposed through this action plan is the creation of a **taskforce[12], a pivotal instrument** in response to the region's challenge regarding multilevel governance – **The Innovation Strategic Advisory Taskforce.** The multilevel, multidisciplinary & multistakeholder structure, taking into consideration the need for sustainable development and the double green and digital transition, will become the NWRDA's critical friend.

The inspiration for this action comes from the **Wales Government's good practice – Tech Valley Initiative**, an enabler to drive and support business activity and provide high quality employment and skills development for people living in Blaenau Gwent. The component that really inspired the current action plan is the **Tech Valleys Strategic Advisory Group,** an agile structure that offers strategic guidance to the policymakers and ensures that the impact of the **investment is maximised**. Tech stories will be created in South Wales Valleys, turning Blaenau Gwent into a technology hotspot. More than 1500 sustainable and high value jobs will be created within new technologies and high-value advanced industries.

Details regarding the Tech Valleys Initiative, as best practice

Tech Valleys Initiative is part of an integrated portfolio of projects and part of the wider Cardiff Capital Region, a project that is investing £1.2bn of public money to leverage another £4bn of private investment across South East Wales. It is a team effort: a cooperation between the Wales Government and Blaenau Gwent County Borough Council, industry, and academia. The initiative supports high-value advanced industries, such as: advanced robotics, advanced manufacturing, automotive, electric vehicles, battery technology, MedTech, FinTech using technologies, such as artificial intelligence, machine learning, cyber security, Internet of Things. To survive the current global competition, most companies active in dynamic software, advanced manufacturing and start-ups that will be supported through the Tech Valleys Initiative will be obliged to use **agile project management methodology**[13]. As an additional argument, the most well-known companies in the world use an Agile approach to improve their processes (IBM, Cisco, Microsoft, and all the others Fortune 500 companies).

By July 2018, the Ebbw Vale Enterprise Zone Board[14] will have been succeeded by an upgraded version of it - the Tech Valleys Strategic Advisory Group, highly connected to the technology trends, adopting an **Agile approach** to cope with the initiative's vision of becoming a hi-tech hotbed for developing new technologies and advanced manufacturing. This representative group, drawn from industry, smaller and medium sized enterprises (SMEs), entrepreneurs, local government, specialist project expertise, finance, higher education leads on the most critical phase towards the success of Tech Valleys - that of **local engagement**. Academia, research institutions, tech industry investors and property developers all have a crucial role to play in the realisation of the vision for Tech Valleys. Members' background according to their LinkedIn profiles covers various competences:

Member of Tech Valleys Strategic Advisory Group	Competences
Chair (Continental Teeves Ebbw Vale)	Agile, continuous improvement, lean manufacturing, Kanban, Six Sigma etc.
Business in Focus and ICAEW Strategy Board for Wales	Science, Geology, Petrology
Environment and Regeneration, Blaenau Gwent CBC	-
Industry Wales and HEFCW	Agile, continuous improvement
Cisco Services	Continuous Improvement, process re-engineering
Cardiff University	AI, Robotics, Human-Machine Systems, High-Value Manufacturing
Welsh Automotive Forum	Continuous improvement, business process improvement, startups

Most of the members have experience in working with agile methodologies[15], which demonstrates an upgrade of the governance structure. According to the best practice, the group provides guidance and advice on strategic objectives and priorities to the Wales Government senior officials to fulfil the vision of becoming, in 2027, a globally recognized centre for the development of new technologies, to support cutting edge industry. The Tech Valleys Strategic Advisory Group is composed of highly experienced technology-based professionals from business and academia – SMEs, entrepreneurs, higher education representatives – local government etc. The group, usually, does not exceed 13 members, one seat is taken by an official from Blaenau Gwent county borough council and at least one from a business representative. The group meets monthly, no more than 18 days per year; members of the group are not remunerated, because it does not hold any budget. Their main roles, besides the advice provided to the Wales Government senior officials regarding strategic objectives, priorities related to the Tech Valleys, are:

- Advice on the development of pipeline projects, drawing on experience and best practice and learning identified in other regions of the UK and internationally – they provide advice for the Wales Government on how £100m funding will be invested to support the development of new technologies and advanced manufacturing sector in the South Wales Valleys, according to a vision to make Blaenau Gwent a globally recognised centre for the development and delivery of emerging technologies.
- Advocate the vision and opportunities of Tech Valleys across their working networks.
- Review progress of the Tech Valleys programme of projects, providing advice on investment opportunities, encouraging supply chain development, international export, identifying property and infrastructure needs, marketing, and promotion of the wider Heads of the Valleys area.

According to the best practice's documentation, the Advisory Group is not a statutory body, therefor the members could be invited individually rather than going through the official Wales Government procedure for

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[12] "RIS3 Governance Guide", Willem Reek
[13] It is difficult to prove it, but one can say that companies are already using agile.
[14] Ebbw Vale has one of Wales' eight Enterprise Zones. These Enterprise Zones are geographical areas that support new and expanding businesses by providing a first-class business infrastructure.
[15] https://hbr.org/2016/05/embracing-agile

public bodies. However, it was especially important that the selection process aimed to get a balanced distribution of members from businesses as well as public bodies, and from men as well as women. Interested individuals were asked to submit a CV and a short expression of interest. (the individual sift matrix will be a source of inspiration)

How will this inspiration be adopted by the North-West Region?

During the research of the best practice, one can say that there are several similarities between the two territorial units (North-West Region and Blaenau Gwent county borough council).

- They are both oriented to create an innovation culture, focusing on the transformation of the economy based on high value-added activities.
- They have a vision that sprang from the collaboration between the community, public and private actors, and academia.
- They both believe that the success implementation of the smart specialisation strategy depends on the stakeholder engagement.
- They both support pilot projects that are in line with their smart specialisation strategies.

They "dream" to provide the foundation for a culture of innovation and technological advancement, and a part of the solution for doing so, in the case of Blaenau Gwent, is the creation of the Strategic Advisory Group and, in the case of the NWRDA based on the partner's inspiration, is the creation of an agile taskforce. It is important to point out that smart specialisation strategy is about economic growth and creating new markets. This means that the public actors that are involved in the multilevel governance should understand that priorities are settled based on the economic and entrepreneurial knowledge about competitors, markets and public funds should be oriented towards such priorities.

The proposed action will target the design of an agile **Innovation Strategic Advisory Taskforce** in the NW region, with the role to simplify the access to current innovation support and tailor it to needs, to analyse and provide strategic advice to the region in terms of applicants, ideas, trends, financing gaps and need for public intervention and support. There will be some fields in which the taskforce will provide support to the regional RIS3 responsible organization (in this case, the NWRDA), as well as the higher-level governance body of the RIS3, i.e. Steering Group:

- Identification of project initiatives with innovation spillover and transformative effects in areas of smart specialisation (combining digital and physical products and services based on new technologies business models)
- Promote the "regional program logic" and connect private initiatives and investments to regional objectives
- Advice for the design of agile funding instruments (grants, loans etc.)
- Advice for the innovation ecosystem in terms of ensuring the access to funding, for scaling-up
- Consultancy regarding the creation of strong innovative communities at lower territorial levels especially in collaboration with cities with strategies focusing also on innovation

- Coordination with local strategies covering innovation, and sustainability, for the future
- Involving in promotion and communication campaigns to increase visibility and awareness of the smart specialisation concept and to create an innovation culture within the region
- Mentoring and coaching for innovative companies to participate in the EU programmes
- Helping the regional governance simplify the calls dedicated to the innovators, through user-driven design.
- Supporting the regional governance to involve a wide array of key actors in the continuous entrepreneurial discovery process to update its areas of smart specialisation.
- Guiding the regional governance to absorb external managers that can flexibly coordinate the portfolio of projects.

Creating such a regional innovation taskforce will put the focus on the innovator. This entity will also support the continuous fulfilment of the enabling condition" Good governance of national or regional smart specialisation strategy", by supporting the NWRDA in becoming a more and more competent regional institution or body, responsible for the management of the smart specialisation strategy, at the same time, acting as" entrepreneurial".

Lessons learned to be implemented:
- **Focus on individuals** - Emphasis on individuals, for their competences in the network rather than their status in the hierarchy or the organization they represent.
- **Vertical connection** - Connection of the taskforce with the national government to ensure vertical coordination mechanisms to avoid coordination failure problems and overlapping actions.
- **Inclusiveness and transparency** – To avoid capture by interest groups and rent-seeking behaviour.
- **Entrepreneurial drive** - Focus on entrepreneurship and innovation capabilities.
- **Choose a leader** (a chair of the consortium) - The chair should be a prominent local business leader or a well-connected local networker.
- **Make it agile** and build it based on the Scrum Guide recommendations.
- **Supporting collaborative leadership** - The governance structure is flexible and allows" collaborative leadership", in the sense that each actor takes the lead in specific situations according to its characteristics, capacities and background.
- **Involve "boundary spanners"** - The governance body should include" boundary spanners", that can moderate the process because of their interdisciplinary knowledge and cross-sectoral experience in interaction with different actors.
- **Involve the local media** – local or regional journalists from newspapers should be involved in the RIS process.
- **The agile taskforce can ensure long-term sustainability** (thinking about the next regional smart specialisation strategies for sustainability), sharing the workload with private sector and civil society, ensuring local engagement.

The proposed action will influence the policy instrument (PI) through the following mechanisms:
1. The taskforce will become part of the PI's governance

2. It could be financed through the OP, Priority Axis 1. A competitive region through innovation, digitisation and dynamic SMEs:

   Specific objective a(i) "Developing and enhancing research and innovation capacities and the uptake of advanced technologies", action c. Supporting technology transfer and the innovation ecosystem

   or

   Specific objective a (iii)."Enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments"; action b. Supporting the regional entrepreneurial ecosystem, encouraging the development of different forms of entrepreneurship and intermediation in entrepreneurship

3. The proposed methodology for the taskforce and for its operating mechanism – Agile with Scrum – will reimagine policymaking in the Fourth Industrial Revolution, provoking the assumed policy change and contributing to the fulfilment of the project indicator.

The insights discovered through the implementation of this Action Plan could help the elaboration of future calls and could increase the absorption funding rate at regional level, stimulating the multi-level approach, and the cities in creating their local innovation ecosystems, and forcing them to think of strategic projects in tandem with the objectives of smart specialisation.

2. Nature of the action

Strategic cohesion – same challenges, different strategies

The inspiration for the creation of the Regional Innovation Taskforce comes along with the Tech Valleys Strategic Advisory Group best practice as a responsible body for the implementation of Tech Valleys Initiative, but the idea of creating a somehow similar multilevel governance structure in the North-West Region has its roots back in the first **Regional Innovation Strategy**, for the 2007-2013 programming period.

One of that strategy's objective was about developing and promoting an innovation culture at regional level and developing system management capacities. To attain this objective, the actions and measures needed to focus on policy and innovation culture and horizontal and vertical actions targeting especially companies, facilitating the access to services based on collaboration and cooperation between the quadruple helix participants.

The challenges identified then were related to the existence of limited capacities in terms of innovation management and strategic thinking, in the public and private sectors. The lack of information and managerial culture determines most companies to adopt a strategy based further on reducing costs in exchange for introducing innovative products and increasing productivity. Also, there was a lack of cooperation between public authorities and private entities on **innovation issues**, a lack of **public innovation leadership** in the region and a common vision regarding innovation, as well as a lack of management skills needed for innovative entrepreneurship, management, and technology transfer.

In response to these challenges, several strategic solutions have been identified during the process, but have not been implemented, so that **currently, some of the measures proposed in 2008** are extremely necessary and appropriate.

The strategy's *Measure 1.2. Developing system management capacities by increasing public sector involvement* proposed the coordination of the activities of different actors in the innovation support system in order to develop medium and long-term capacities for optimal innovation management, including through public sector involvement, through specific actions for coordinating and synergising of the existing management capacities at regional level, especially through setting up a **strategic regional council for innovation management**, for developing policies, strategic directions to support innovation, **for allocating resources according to the needs**. Emphasis was placed on developing forecasting capabilities and analysing trends, by conducting market research, identifying emerging sectors and the latest technologies.

As shown, the need of an innovation culture, of capacities and know-how regarding smart specialisation remains unsatisfied at regional level, regardless of effort made in this sense. That is why, the Strategic Advisory Group implemented by Wales Government, **is an example of good practice**, and should be "borrowed" and adapted to the needs of the NWRDA. By building on such a good practice, the region might overcome some of the specific problems it faces as a lagging region, with low innovation capacities and a disconnected innovation ecosystem.

The scope of this taskforce will be to support all the innovations that can create new markets, as the concept of smart specialisation states. The taskforce should create a new standard of excellence in terms of commercialized innovations, acting as a driver of change, of mindsets, contributing to the improvement of the region's innovativeness. The members of this taskforce will be selected based on their experience, diversity, interest, but also on territorial distribution: the consortium will bring together managers, ecosystem builders, researchers, mayors and so on, all of them having the same understanding of the region's smart specialisation potential and having the aim to support pilot initiatives that are likely to promote greater diversity in the areas of specialisation for the future. The taskforce gives priority to **SG COHES3ION members**, to join if they are interested in the initiative and want to act as **agile innovation ambassadors**.

Activities that should be implemented are presented in the following table:

Activities	Details of the activities	Responsible	Lesson learned from the partner
Activity 1.1. Establishing the selection procedure	Call for applications aimed at selecting the members of the taskforce based on: a cover letter explaining the motivation for applying, a CV, and a selection criteria form (the position in his/her organisation, relevant expertise and a current practitioner with a proven track record in a technology related business, vision regarding the taskforce's activities, strong communications skills, local knowledge of	NWRDA	The selection procedure, in the case of Tech Valley Strategic Advisory Group, was based on CV and expression of interest

	the region, a commitment to developing technology related sectors in the NW region etc.)		
Activity 1.2. Deciding and approval of the members' list, **including the chair**	Maximum 20 members Membership will be reviewed every two years.	NWRDA	The individual sift matrix applied to prioritize the applicants
Activity 1.3. Drafting the agile methodology ("rules of procedures") of the taskforce: roles, rights, and obligations, including the "scrum events" etc.	Terms and Conditions of Appointment Rules of procedures Drafted and finalised taking into consideration the feedback of members	NWRDA Innovation Strategic Advisory Taskforce	Terms and Conditions of Appointment and Rules of procedures
Activity 1.4. Setting up the formalities (optional)	One partner within the taskforce will be designated as the lead/chair. *If the North-West ROP 2021-2027 is launched soon enough (2022), then the lead entity might apply for funding. The lead organization needs to demonstrate the members' commitment through letters of commitments.	Innovation Strategic Advisory Taskforce	Terms of reference
Activity 1.5. Establishing of a draft taskforce Work Programme with strategic directions etc.	The Work Programme should be elaborated for a period of 2 years and should contain an action plan with activities and proposed pilots, financing schemes dedicated to innovators, using an agile approach. Create a Discord server for agile communication in which everybody will connect with each other and contribute.	Innovation Strategic Advisory Taskforce NWRDA	Like the Tech Valleys' strategic plan
Activity 1.6. Creating instruments/ spaces to connect the Regional Innovation Taskforce with the national authorities	The taskforce will contact the national government to present its high-level vision and the RIS3 project portfolio to find synergies and to avoid duplication of effort.	Innovation Strategic Advisory Taskforce NWRDA	Tech Valleys Initiative's logic
Activity 1.7. Innovation Strategic Advisory Taskforce (anchor city pilot 1)	Replicate the initiative in an anchor city, with an innovation strategic orientation, within the region (ex. Baia Mare, Oradea, Bistrița etc.).	NWRDA Innovation Strategic Advisory Taskforce	-

Indicators:

- No. of innovative SME's cooperating with others: 3%
- No. of members in the regional innovation taskforce
- No. of reunions/ year
- No. of actions implemented

- No. of strategic documents elaborated
- No. of contributions to periodic studies, sectoral analyses regarding the evolution of the market, evolution of RDI etc.
- No. of contributions to feasibility studies for investment and innovation projects

The limitations of the Action Plan concern the numerous changes that might occur in the way the policy instrument, as the main regional strategic document, is developed and agreed. However, even if the policy instrument undergoes further changes that may adversely affect the implementation of the action plan, then an agile and adaptive approach should be adopted accordingly to ensure a positive contribution to regional development.

Innovating the multilevel governance structure using Agile with Scrum

The Fourth Industrial Revolution and the rapid pace of technology innovation requires the transformation of traditional strategy/policy development process and, with that, of traditional governance structures. One cannot relate to a smart specialisation strategy that is projected into the future with an outdated governance structure and traditional development models.

In a traditional process, public administrations are planning projects, initiatives in advance respecting hierarchies, annual budgets etc. to transform the economy and to promote an innovation culture through a smart specialisation strategy, to meet the expectations of citizens and of key stakeholders, allocate resources, and encourage ownership. But changeable and fast-moving environments demand more flexibility and responsiveness from public administrations as it designs and implements RIS3. By borrowing and adapting the "Agile" project management methodology[16] from the high-tech world, policymakers can thrive in an uncertain environment, increase civic engagement, and improve lives.[17]

Considering that the process to construct the multilevel governance is emergent, spaces and procedures to learn and negotiate must be established in an active and sustainable way responding with agility and flexibility. According to Harvard, agile methodology involves user-centred design, cross-functional teams, prototyping using design thinking, rapid iteration, and continuous feedback loops. In a government context, instead of working on each individual stage of a program or policy in isolation — for example, planning, design, implementation, or testing/review, teams work to create successively improved versions of a "Minimum Viable Product" (MVP) that can be tested directly with users, or, in other words, with the strategy's target groups.

Scrum is a framework for organizational change and personal freedom. It is not a methodology, it is not a process, and it is much more than a tool.[18] Scrum is a fact-based, experience-based, and evidence-based empirical framework, with three main pillars: inspection, transparency, and adaptation. Scrum values are: courage, focus, commitment, respect, openness. The team model in Scrum (product owner, scrum master,"

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[16] Agile manifesto - http://agilemanifesto.org/

[17] https://www.innovations.harvard.edu/blog/path-agile-policymaking

[18] "Why agile works – The Values Behind The Results", Michael De La Maza & David Benz

development team") is designed to optimize flexibility, creativity, and productivity.[19] These characteristics are ideal for the Innovation Strategic Advisory Taskforce.

This agile multilevel governance structure should be adaptive, human-centred, inclusive, and sustainable, considering that policies are no longer limited to governments and public administrations, but are a multistakeholder effort.[20]

The work programme proposed by the taskforce should consider different instruments for promoting agile an RIS3 multilevel governance, and beyond (S4 as place-based innovation for sustainability), including strategy labs, promoting RIS3 multilevel governance innovation, promoting collaboration between innovators and regulators (e.g. startups lack of standards and regulations), crowdsourced strategy/policy making etc.

3. Stakeholders involved

The North-West Regional Development Agency will be the main responsible body for the implementation of the action plan.

COHES3ION Stakeholders Group members will have a priority to join the taskforce if they are interested in the initiative and want to act as agile innovation ambassadors.

However, the idea drawn from the best practice example is to organize a selection process. The interested applicants should submit several documents proving their motivation for applying and their contributions to the taskforce. It is important to specify that, in this case, individuals are more important than the organisations that are being represented.

That is why one shall provide types of high-level individuals combining them in a good mixture, according to the Scrum framework:

- County Councils representatives preoccupied with innovation culture, urban planning, urban regeneration, smart cities etc.
- Mayors interested in developing innovation ecosystems
- Investors, Venture Capitalists
- Entrepreneurs who have started up/scaled up innovative companies (startups, unicorns etc.)
- Researchers from research institutes with expertise in "trending" tech
- Academics with expertise in future fields of interest for the regional development
- Community builders/ecosystems creators: incubators, accelerators representatives or even cluster managers.
- Ecologists, environmentalists etc.

Each one of them should at least know and have a common understanding regarding the smart specialisation concept and share the same vision about the North-West Development Region. Also, another aspect that

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[19] "The Scrum Guide – The Definitive Guide to Scrum: The Rules of the Game", Ken Schwaber and Jeff Sutherland, 2013

[20] "Agile governance – Reimagining policy-making in the Fourth Industrial Revolution", World Economic Forum, 2018

should be taken into consideration will be the territorial distribution, considering that the taskforce is multilevel from the territoriality perspective, multisector and multistakeholder.

4. Timeframe

All activities should be implemented between 2022-2023. It is important to do it as soon as possible, finalizing it before launching the calls of the Regional Operational Programme. The calls might offer the possibility to access funds for the implementation of the Work Programme, and this could mean a stronger involvement of members in the process.

Activities	Timeframe
Activity 1.1. Establishing the selection procedure	L1-L3
Activity 1.2. Deciding and approval of the members' list, **including the chair**	L4
Activity 1.3. Drafting the agile methodology ("rules of procedures") of the taskforce: roles, rights, and obligations, including the "scrum events" etc.	L5-L6
Activity 1.4. Setting up the formalities	L7
Activity 1.5. Establishing of a draft taskforce Work Programme with strategic directions, forecasting and RDI trend analysis etc.	L8-L9
Activity 1.6. Creating instruments/ spaces to connect the taskforce with the national authorities	L10
Activity 1.7. Innovation Strategic Advisory Taskforce (city pilot 1)	L11-L12

5. Costs

The activities rolled out to the implementation of the action are supported by the North-West Development Agency, through its own budget. An early estimation revolves around the amount of max. 12.000 euro, including the labour costs.

6. Funding sources

This action will be financed from the North-West RDA's own budget, that has two main funding sources:
- the technical assistance budget line of the Regional Operational Programme and
- the county councils' budget contributions: there are six county councils in the region, and they all contribute to the NWRDA's budget.

The present and the foreseen budget have enough resources to finance the action and the activities of the current Action Plan, considering also that no investment is needed.

This Action Plan has been developed for the North-West Regional Development Agency who commits itself to implement the action envisioned within the current document.

Date: 17.12.2021

Name of the organisation(s) :

Agenția de Dezvoltare Regională Nord-Vest / North-West Regional Development Agency

Signatures of the relevant organisation(s):

Cristina David, Project Manager